

# *Office of the State Auditor*

## *Division of State Audit*

### Parks and Recreation Bismarck, North Dakota

Audit Report for the  
Biennium Ended June 30, 2007  
Client Code 750

*Robert R. Peterson*  
*State Auditor*



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## *Transmittal Letter*

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May 28, 2008

The Honorable John Hoeven, Governor  
Members of the North Dakota Legislative Assembly  
Douglass Prchal, Director, Parks and Recreation Department

We are pleased to submit this audit of the Parks and Recreation Department for the biennium ended June 30, 2007. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

In determining the contents of the audits of state agencies, the primary consideration was to determine how we could best serve the citizens of the state of North Dakota. Naturally we determined financial accountability should play an important part of these audits. Additionally, operational accountability is addressed whenever possible to increase efficiency and effectiveness of state government.

The in-charge auditor for this audit was Allison Bader. Kristi Morlock and Aaron Petrowitz were the staff auditors. Fred Ehrhardt, CPA, was the audit supervisor and Paul Welk, CPA, was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 328-2320. We wish to express our appreciation to Director Prchal and his staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

Robert R. Peterson  
State Auditor

# *Executive Summary*

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## **INTRODUCTION**

The North Dakota Parks and Recreation Department exists to serve as a focal point in the state for activities related to state parks. The Department plans and coordinates government programs encouraging the full development and preservation of existing and future parks, outdoor recreation, and nature preserves. The agency regularly reports to the Legislative Natural Resources Committee.

More information about the agency can be obtained from the Parks and Recreation's home page at: [www.ndparks.com](http://www.ndparks.com).

## **RESPONSES TO LAFRC AUDIT QUESTIONS**

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The Legislative Audit and Fiscal Review Committee (LAFRC) requests that certain items be addressed by auditors performing audits of state agencies.

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### *1. What type of opinion was issued on the financial statements?*

Financial statements were not prepared by the Parks and Recreation Department in accordance with generally accepted accounting principles so an opinion is not applicable. The agency's transactions were tested and included in the state's basic financial statements on which an unqualified opinion was issued.

### *2. Was there compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning?*

Yes.

### *3. Was internal control adequate and functioning effectively?*

Other than our finding addressing the computer access control weakness (page 11); state park revenue controls weakness (page 12); and fraud risk assessment/control activities (page 14); we determined internal control was adequate.

### *4. Were there any indications of lack of efficiency in financial operations and management of the agency?*

No.

5. *Has action been taken on findings and recommendations included in prior audit reports?*

The Parks and Recreation Department has implemented all recommendations included in the prior audit report.

6. *Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses.*

Yes, a management letter was issued and is included on pages 18-19 of this report, along with management's response.

### **LAFRC AUDIT COMMUNICATIONS**

1. *Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions.*

There were no significant changes in accounting policies, no management conflicts of interest were noted, no contingent liabilities were identified or significant unusual transactions.

2. *Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates.*

The Parks and Recreation's financial statements do not include any significant accounting estimates.

3. *Identify any significant audit adjustments.*

Significant audit adjustments were not necessary.

4. *Identify any disagreements with management, whether or not resolved to the auditor's satisfaction relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements.*

None.

5. *Identify any serious difficulties encountered in performing the audit.*

None.

6. *Identify any major issues discussed with management prior to retention.*

This is not applicable for audits conducted by the Office of the State Auditor.

7. *Identify any management consultations with other accountants about auditing and accounting matters.*

None.

8. *Identify any high-risk information technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six audit report questions to be addressed by the auditors are directly related to the operations of an information technology system.*

ConnectND Finance and Human Resource Management System (HRMS) are high-risk information technology systems critical to the Parks and Recreation.

# ***Audit Objectives, Scope, and Methodology***

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## *Audit Objectives*

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The objectives of this audit of the Parks and Recreation Department for the biennium ended June 30, 2007 were to provide reliable, audited financial statements and to answer the following questions:

1. What are the highest risk areas of the Parks and Recreation's operations and is internal control adequate in these areas?
2. What are the significant and high-risk areas of legislative intent applicable to the Parks and Recreation Department and are they in compliance with these laws?
3. Are there areas of the Parks and Recreation's operations where we can help to improve efficiency or effectiveness?

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## *Audit Scope*

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This audit of the Parks and Recreation Department is for the biennium ended June 30, 2007. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Parks and Recreation Department has its central office in Bismarck and 17 state park sites throughout North Dakota, of which 13 collect fees.

Locations were selected based on the level of activities (Central Office has the bulk of activities) and audit rotation of state parks.

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## *Audit Methodology*

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To meet the objectives outlined above, we:

- Prepared financial statements from the legal balances on the state's accounting system tested as part of this audit and the audit of the state's Comprehensive Annual Financial Report and developed a discussion and analysis of the financial statements.
- Performed detailed analytical procedures including computer assisted auditing techniques. These procedures were used to identify high risk transactions and potential problem areas for additional testing.
- Testing internal control and compliance with laws and regulations included selecting representative samples to determine if controls are operating effectively and to determine



if laws are being followed consistently. Nonstatistical sampling was used and the results were projected to the population. Further where applicable, populations are stratified to ensure that particular groups within a population are adequately represented in the sample, and to improve efficiency by gaining greater control on the composition of the sample.

- Interviewed appropriate agency personnel.
- Queried the ConnectND (PeopleSoft) ERP system. Given the complexity of the State's accounting system significant evidence was obtained from ConnectND.
- Observed Parks and Recreation's processes and procedures.

In aggregate there were not any significant limitations or uncertainties related to our overall assessment of the sufficiency and appropriateness of audit evidence.

## ***Discussion and Analysis***

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The accompanying financial statements have been prepared to present the Parks and Recreation's revenues and expenditures on the legal (budget) basis. The accompanying financial statements are not intended to be presented in accordance with generally accepted accounting principles (GAAP).

For the biennium ended June 30, 2007, operations of the Parks and Recreation Department were primarily supported by appropriations from the state's general fund. This is supplemented by federal funding and fees credited to the agency's operating fund.

### ***FINANCIAL SUMMARY***

Capital assets net of depreciation for the Parks and Recreation Department were \$20.5 million and \$19.3 million for the years ended June 30, 2007 and 2006, respectively. Capital assets consist of land, buildings, infrastructure, and equipment.

Revenues consisted primarily of federal funds, as well as park permits, fees, and concessions. Other revenues during the audited period included sales and services, leases and rents of equipment and buildings, donations, and other miscellaneous revenues. Federal revenue increased approximately \$665,000 due to increased federal program grant funds. All other revenues remained fairly constant for the Parks and Recreation. Total revenues were \$3,771,507 for the year ended June 30, 2007 as compared to \$3,017,467 for the year ended June 30, 2006.

Total expenditures for the Parks and Recreation Department were \$8,911,009 for the year ended June 30, 2007 as compared to \$7,368,775 for the prior year. The increase in total expenditures for the audited period reflects primarily an increase in available recreation trails revenue granted by the federal government and other revenue. All other expenditures remained fairly constant.

### ***ANALYSIS OF SIGNIFICANT VARIANCES BETWEEN FINAL BUDGETED AND ACTUAL EXPENDITURES***

The excess of grants appropriations over actual expenditures were due to decreased revenue granted by the federal government primarily for the Land and Water Conservation and Recreational Trails programs.

# Financial Statements

## STATEMENT OF REVENUES AND EXPENDITURES

	June 30, 2007	June 30, 2006
<b><u>Revenues and Other Sources:</u></b>		
Park Service Permit / User Fees	\$ 1,409,859	\$ 1,427,096
Federal Revenue	1,629,382	964,144
Concessions	209,923	197,221
Intergovernmental Reimbursements	61,539	27,234
Sales and Services	32,184	34,036
Donations	29,512	32,695
Leases, Rents, and Royalties	18,709	17,063
Miscellaneous Revenue	166,008	94,444
Transfers In	214,391	223,534
<b>Total Revenues and Other Sources</b>	<b>\$ 3,771,507</b>	<b>\$ 3,017,467</b>
<b><u>Expenditures and Other Uses:</u></b>		
Salaries and Benefits	\$ 3,079,779	\$2,863,747
Grants, Benefits and Claims	1,296,302	677,778
Professional Services	741,236	996,556
Supplies	672,553	608,958
Utilities	237,046	219,299
Travel	221,912	269,104
Repairs	229,747	237,696
Equipment Under \$5,000	151,980	59,559
Rentals/Leases - Bldg/Land/Equipment	97,802	106,449
IT Communications	67,053	63,513
Operating Fees and Services	64,319	62,057
IT Data Processing	55,003	49,937
Equipment Over \$5,000	32,533	231,103
Professional Development	26,781	40,295
Other Capital Payments	1,079,373	402,654
Motor Vehicles	255,625	249,756
Land and Buildings	474,160	5,344
Other Expenses	127,805	145,952
Transfers Out		79,018
<b>Total Expenditures and Other Uses</b>	<b>\$ 8,911,009</b>	<b>\$ 7,368,775</b>

## STATEMENT OF APPROPRIATIONS

For The Biennium Ended June 30, 2007

<b>Expenditures by Line Item:</b>	<u>Original Appropriation</u>	<u>Adjustments</u>	<u>Final Appropriation</u>	<u>Expenditures</u>	<u>Unexpended Appropriation</u>
Salaries and Benefits	\$ 5,816,814		\$ 5,816,814	\$ 5,732,435	\$ 84,379
Operating Expenses	4,299,533		4,299,533	3,989,384	310,149
Capital Assets	3,405,200		3,405,200	2,503,404	901,796
Construction Carryover		\$ 215,616	215,616	186,242	29,374
Grants	6,830,000		6,830,000	2,038,532	4,791,468
Peace Garden	602,854		602,854	602,854	
Lewis and Clark Bicentennial	617,335		617,335	591,086	26,249
<b>Totals</b>	<u>\$ 21,571,736</u>	<u>\$ 215,616</u>	<u>\$ 21,787,352</u>	<u>\$ 15,643,935</u>	<u>\$ 6,143,417</u>
<b>Expenditures by Source:</b>					
General Fund	\$ 8,144,153	\$ 215,616	\$ 8,359,769	\$ 8,132,833	\$ 226,936
Other Funds	13,427,583		13,427,583	7,511,102	5,916,481
<b>Totals</b>	<u>\$ 21,571,736</u>	<u>\$ 215,616</u>	<u>\$ 21,787,352</u>	<u>\$ 15,643,935</u>	<u>\$ 6,143,417</u>

### Appropriation Adjustments:

The \$215,616 increase in construction carryover was authorized by NDCC section 54-44.1-11 that allows for unexpended capital construction budgets to be carried forward into the next biennium. The adjustment was properly approved by the Carryover Committee.

### Expenditures Without Appropriations Of Specific Amounts:

The State Parks Concession Fund has a continuing appropriation authorized by NDCC section 55-08-07.1 (\$495,957 of expenditures for this biennium).

Insurance recoveries has a continuing appropriation authorized by NDCC section 54-44.1-09.1 (\$71,412) of expenditures for this biennium).

## *Internal Control*

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In our audit for the biennium ended June 30, 2007, we identified the following areas of the Parks and Recreation's internal control as being the highest risk:

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### *Internal Controls Subjected To Testing*

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- Controls surrounding the processing of revenues.
- Controls surrounding the processing of expenditures.
- Controls effecting the safeguarding of assets.
- Controls relating to compliance with legislative intent.
- Controls surrounding the ConnectND (PeopleSoft) system.
- Controls surrounding permits, receipts, and revenue collected at the state parks.

The criteria used to evaluate internal control is published in the publication *Internal Control – Integrated Framework* from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

We gained an understanding of internal control surrounding these areas and concluded as to the adequacy of their design. We also tested the operating effectiveness of those controls we considered necessary based on our assessment of audit risk. We concluded that internal control was not adequate noting certain matters involving internal control and its operation that we consider to be significant deficiencies.

Auditors are required to report deficiencies in internal control that are significant within the context of the objectives of the audit. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect (1) misstatements in financial or performance information, (2) violations of laws and regulations, or (3) impairments of effectiveness or efficiency of operations, on a timely basis. Considering both qualitative and quantitative factors, we identified the following significant deficiencies in internal control. We also noted other matters involving internal control that we have reported to management of Parks and Recreation Department in a management letter dated May 28, 2008.

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## COMPUTER ACCESS CONTROLS WEAKNESS

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### Finding 07-1

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Controls surrounding access to the ConnectND Financials and ConnectND HRMS (Human Resources Management System) information systems are not adequate. The Parks and Recreation Department has not properly assigned responsibility for reviewing ConnectND access privileges on a regular basis. As a result, there are seven individuals who have access to make changes and approve transactions processed through ConnectND related to generating payments, creating correcting entries, changing/updating fixed asset records, and changing/updating payroll records.

According to the Committee of Sponsoring Organizations (COSO) *Internal Control – Integrated Framework Executive Summary*, Proper internal control dictates that access to data should be limited only to those who need access to the data to perform their duties. Without proper access controls, personnel have the opportunity to bypass important internal controls, including segregation of duties. Therefore, there is an increased risk of unauthorized transactions and also a greater chance of corruption of data.

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### Audit Recommendation and Agency Response

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#### **Recommendation:**

We recommend the Parks and Recreation Department:

- Assign responsibility and perform regular reviews of ConnectND access privileges.
- Strengthen security within ConnectND Financials and ConnectND HRMS (Human Resource Management System) by restricting access privileges to only necessary individuals.

#### ***Parks and Recreation Department Response:***

*The NDPRD agrees with finding 07-1 and has assigned annual review responsibility to our Information Technology Coordinator who maintains security and access to all department applications. OMB and ITD have been informed to eliminate unnecessary ConnectND roles. This work order has been completed. The recommended process is in place.*

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## STATE PARK REVENUE CONTROLS WEAKNESS

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### Finding 07-2

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Controls for monitoring and reconciling state park permits, receipts, and revenue are not adequate. Our audit procedures identified the following weaknesses:

- Inconsistent reporting methods at the state parks do not allow for adequate monitoring of permit and receipt book inventory and reconciling of sales to revenue collected.
- An individual annual interpretive center permit has not been established and daily interpretive admittance passes are not alternated for color or design to limit multiple uses of one pass.
- Multiple fee amounts assigned to an individual permit does not allow for adequate reconciling of permits sold to revenue collected.
- Permit reconciling procedures are not in place when issuing duplicate permits to verify an original permit was issued.
- Reservation registration and revenue reconciling procedures are not in place when admitting reserved camping registrations at the state parks.
- Lack of monitoring policies and procedures surrounding permits and receipt books to ensure all are accounted for.
- Lack of segregation of duties for Park Rangers having authority to collect revenue and issue citations.

According to the Committee of Sponsoring Organizations (COSO) *Internal Control – Integrated Framework Executive Summary*, monitoring, verifications, reconciliations, and segregation of duties are control activities used to ensure necessary actions are taken to address an entity's operating risks. Proper monitoring procedures require consistent reporting methods be implemented for state parks to report unused permits and receipt book inventory and revenue collections. Documented policies will ensure procedures are properly communicated. Properly designed controls require initially issued permits be verified before issuing duplicates and reservation registration numbers be reconciled to the reservation registration system to ensure proper revenue collections. Properly designed reconciliation of revenue requires reconciliation of sales to revenue collections. An individual fee for each permit will allow for proper reconciliation. Proper reconciliation of permit and receipt inventory requires distributed permits and receipts be reconciled to those issued and unissued. Properly designed segregation of duties requires

segregation between individuals that initiate and approve transactions and have access to cash.

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Audit Recommendation  
and Agency Response

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**Recommendation:**

We recommend the Parks and Recreation Department strengthen controls surrounding revenue collected at the state parks by:

- Developing consistent methods for state parks to report permits, receipts, and revenue;
- Developing appropriate individual permits assigned a single fee;
- Performing reconciling procedures on permits sold and reservation registrations to revenue collected;
- Verifying original permits sold when issuing duplicates;
- Developing documented monitoring policies and implementing monitoring procedures over permits and receipt books; and,
- Ensuring segregation of duties assigned to park rangers.

***Parks and Recreation Department Response:***

*The NDPRD agrees, in part, but also disagrees with components of finding 07-2. While the Department is of the opinion that business practices pertaining to park permits, receipts and revenue are consistent and do exist, there is always room for improvement. The implementation of the recent Online Management System (OMS) and subsequent staged implementation steps are designed to strengthen these practices. Development of an accounting business rules manual is under discussion to set forth a documentation system by enhancing the department's standard practices and processes for reporting, monitoring, reconciling and verification procedures for revenue collections.*

*It is important to reiterate the fact that revenue collections have increased annually for the past decade. The respective park operations rely solely on revenues collected from visitors to cover their operating costs thus maintain sharp focus on revenue collection and correlations to deposits. Application of the above noted business rules will improve tracking of revenues.*



*Development of individual permits assigned a single fee could be considered and in fact one of the three permits reviewed and that caused most consternation for auditors will be eliminated. Printing individual permits for each park fee structure will be a costly exercise to implement. For example, the Annual Pass and Senior Citizen Pass were combined into a single pass as recommended by the legislative assembly ten years ago for efficiency yet retained a \$5 discount for senior citizens, age 65. That procedure has been a very cost effective and beneficial public service although it does create risk exposure. Camping passes contain a multitude of fee variance to include the daily pass fee with a day multiplier included on a single permit. This style of permit is standard practice across the national state park systems, in the national parks and other federal land managed areas. More evaluation is needed to make a prudent decision on implementation of this recommendation to current procedures.*

*The NDPRD agrees that segregation of park ranger duties would be an ideal situation, however with already limited staff and salary allocations it poses a hardship. We continue with extreme difficulty hiring qualified seasonal staff thus face the results of assigning multiple duty responsibilities. Several parks do not have a full time ranger position requiring the park manager a sole responsibility for these functions. During peak visitor season these single staffed operations place multiple duties on seasonal employees. Should the legislature approve funding and additional positions, segregation of duties would be more viable and the exposure to risk would be minimized.*

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## **FRAUD RISK ASSESSMENT/CONTROL ACTIVITIES**

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### **Finding 07-3**

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Parks and Recreation does not have a system in place to identify possible instances of fraud or fraudulent activities in the financial and operational areas of the Parks and Recreation headquarters and state parks offices.

The most important guidance relating to internal control is contained in *Internal Control – Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This guidance dictates that a Fraud Risk Assessment program be established and practiced to identify risks of fraudulent type activities, including when special circumstances arise, when changing operating environments, and for restructuring. In addition, Parks and Recreation does not have the necessary control activities designed/documented to ensure significant fraud exposures are identified and mitigated. Management must design the necessary internal controls to ensure that each of the significant fraud exposures identified during the risk assessment process are adequately mitigated.

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Audit Recommendation and  
Agency Response

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**Recommendation:**

We recommend the Parks and Recreation:

- Establish and perform a fraud risk assessment on a recurring basis.
- Design and document the necessary control activities to ensure that each significant fraud exposure identified during the risk assessment process has been adequately mitigated.

**Parks and Recreation Response:**

*The NDPRD agrees and will comply with audit guidelines.*

## *Compliance with Legislative Intent*

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In our audit for the biennium ended June 30, 2007, we identified and tested Parks and Recreation's compliance with legislative intent for the following areas that we determined to be significant and of higher risk of noncompliance:

- Proper use of funding provided for the permanent oil tax trust fund (2005 North Dakota Session Laws chapter 53, section 1).
- Proper use of funding provided for the Snowmobile Fund (2005 North Dakota Session Laws chapter 20, section 4, NDCC section 39-24-05).
- Proper use of funding provided for the Trail Tax Transfer Fund (2005 North Dakota Session Laws chapter 20, section 5, NDCC section 39-29-05).
- Proper use of funding provided for the State Parks Gift Fund in accordance with the donation and transactions exceeding appropriated amounts are approved by the Emergency Commission. (2005 North Dakota Session Laws chapter 20, section 6, NDCC 55-08-07.2)
- Proper use of funding provided for the Game and Fish Operating Fund for maintenance, operating, and extraordinary repairs related to boat ramps (2005 North Dakota Session Laws chapter 20, section 7).
- Proper use of funding and transfers provided for the Concession Fund (NDCC section 55-08-07.1).
- Concessionaires must be properly bonded in accordance with NDCC section 55-08-05.
- Proper use of the State Treasurer (State Constitution, article X, section 12).
- Compliance with appropriations and related transfers (2005 North Dakota Session Laws Chapter 20).
- Compliance with OMB's Purchasing Procedures Manual.
- Travel-related expenditures are made in accordance with OMB policy and state statute.
- Proper use of outside bank accounts and proper authority for investments outside the Bank of North Dakota.
- Adequate blanket bond coverage of employees (NDCC section 26.1-21-08).
- Compliance with fixed asset requirements including record keeping and surplus property.
- Compliance with payroll related laws including certification of payroll.

The criteria used to evaluate legislative intent are the laws as published in the *North Dakota Century Code* and the *North Dakota Session Laws*.

*Government Auditing Standards* requires auditors to report all instances of fraud and illegal acts unless they are inconsequential within the context of the audit objectives. Further, auditors are required to report significant violations of provisions of contracts or grant agreements, and significant abuse that have occurred or are likely to have occurred.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. Thus, we concluded there was compliance with the legislative intent identified above.

## ***Management Letter (Informal Recommendations)***

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May 28, 2008

Mr. Douglass Prchal, Director  
Parks and Recreation Department  
1600 East Century Avenue, Suite 3  
Bismarck, ND 58503-0649

Dear Mr. Prchal:

We have performed an audit of the Parks and Recreation Department for the biennium ended June 30, 2007, and have issued a report thereon. As part of our audit, we gained an understanding of the Parks and Recreation Department's internal control structure to the extent we considered necessary to achieve our audit objectives. We also performed tests of compliance as described in the same report.

Our audit procedures are designed primarily to enable us to report on our objectives including those related to internal control and compliance with laws and regulations and may not bring to light all weaknesses in systems and procedures or noncompliance with laws and regulations which may exist. We aim, however, to use our knowledge of your organization gained during our work to make comments and suggestions which we hope will be useful to you.

In connection with the audit, gaining an understanding of the internal control structure, and tests of compliance with laws and regulations referred to above, we noted certain conditions we did not consider reportable within the context of your audit report. These conditions relate to areas of general business practice or control issues that have no significant bearing on the administration of federal funds. We do, however, want to present our recommendations to you for your consideration and whatever follow-up action you consider appropriate. During the next audit we will determine if these recommendations have been implemented, and if not, we will reconsider their status as non-reportable conditions.

The following present our informal recommendations.

### **INVESTMENTS**

Informal Recommendation 07-1: We recommend the Parks and Recreation Department strengthen controls to ensure completeness in reporting all investments at fiscal year end to the Office of Management and Budget on the Cash and Investments closing package.

## **GENERAL**

Informal Recommendation 07-2: We recommend the Parks and Recreation Department reevaluate their Code of Conduct and make changes to include the following elements in accordance with Internal Control Integrated Framework from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

- Full, fair, accurate, timely, and understandable disclosure in reports and documents.
- Compliance with applicable governmental laws, rules and regulations.
- Prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code.

Informal Recommendation 07-3: We recommend the Parks and Recreation Department perform an analysis of all positions and ensure appropriate background checks are performed during the hiring process.

## **REVENUE**

Informal Recommendation 07-4: We recommend the Parks and Recreation Department ensure the reconciliation of federal revenue is performed by an individual independent of requesting federal revenue. We also recommend the federal revenue be reconciled to support from the federal agency identifying amounts disbursed.

## **PAYROLL**

Informal Recommendation 07-5: We recommend the Parks and Recreation Department reassign responsibility for reconciling personnel action forms to an individual independent of access to enter payroll changes in ConnectND.

Management of Parks and Recreation Department agreed with these recommendations.

I encourage you to call myself or an audit manager at 328-2320 if you have any questions about the implementation of recommendations included in your audit report or this letter.

Sincerely,

Allison Bader  
Auditor in-charge